

INSPECTION REPORT

Permittee: Premium Coal Co. Inc.

Permit No: 3241

Date Permit Expires: Expired 9-14-2018

Date of Inspection: 1-28-2019

Type of Inspection: Partial

Inspector: Tim Rudder

Discussion: OSMRE entered into a Written Abatement Agreement with Premium Coal Co. Inc. on 11-29-2018 to abate Notice of Violation 18-090-171-002 and Cessation Order 18-090-171-002. Per the abate agreement Premium Coal was to mobilize equipment onto the mine site by December 27, 2018. Due to the shutdown of the Federal Government inspection of this site was not possible until today. This agreement also stipulates that all work to abate the violation must be completed by January 8, 2019. Today's inspection finds no equipment or personnel on site. No work has been performed to abate Notice of Violation 18-090-171-002 and Cessation Order 18-090-171-002.

INSPECTION REPORT**Permittee:** National Coal LLC**Permit No:** 3250**Date Permit Expires:** 10-21-20**Date of Inspection:** 1-28-2019**Type of Inspection:** Partial**Inspector:** Tim Rudder

Discussion: OSMRE entered into a Written Abatement Agreement with National Coal LLC on 11-28-2018 to abate the violations contained in Notice of Violation 18-090-171-004 and Cessation Order 18-090-171-004. Per that agreement National Coal LLC was to have equipment on this permit by December 9, 2018 to begin the abatement work. An inspection of this permit on December 10 and 17, 2018 found no equipment or personnel on site and no work had been performed to abate the outstanding violations. The agreement also states that work will be completed by December 21, 2018. Due to the shut down of the Federal Government an inspection could not be made until today to see if work had been completed. Today's inspection finds no equipment or personnel on site and no work has been performed to abate the outstanding violations.

Exhibit I-3

INSPECTION REPORT**Permittee:** National Coal LLC**Permit No:** 3250**Date Permit Expires:** 10-21-20**Date of Inspection:** 1-28-2019**Type of Inspection:** Partial**Inspector:** Tim Rudder

Discussion: OSMRE entered into a Written Abatement Agreement with National Coal LLC on 11-28-2018 to abate the violations contained in Notice of Violation 18-090-171-004 and Cessation Order 18-090-171-004. Per that agreement National Coal LLC was to have equipment on this permit by December 9, 2018 to begin the abatement work. An inspection of this permit on December 10 and 17, 2018 found no equipment or personnel on site and no work had been performed to abate the outstanding violations. The agreement also states that work will be completed by December 21, 2018. Due to the shut down of the Federal Government an inspection could not be made until today to see if work had been completed. Today's inspection finds no equipment or personnel on site and no work has been performed to abate the outstanding violations.

INSPECTION REPORT**Permittee:** National Coal LLC**Permit No:** 3250**Date Permit Expires:** 10-21-20**Date of Inspection:** 1-28-2019**Type of Inspection:** Partial**Inspector:** Tim Rudder

Discussion: OSMRE entered into a Written Abatement Agreement with National Coal LLC on 11-28-2018 to abate the violations contained in Notice of Violation 18-090-171-004 and Cessation Order 18-090-171-004. Per that agreement National Coal LLC was to have equipment on this permit by December 9, 2018 to begin the abatement work. An inspection of this permit on December 10 and 17, 2018 found no equipment or personnel on site and no work had been performed to abate the outstanding violations. The agreement also states that work will be completed by December 21, 2018. Due to the shut down of the Federal Government an inspection could not be made until today to see if work had been completed. Today's inspection finds no equipment or personnel on site and no work has been performed to abate the outstanding violations.

Exhibit I-5

INSPECTION REPORT

Permittee: Premium Coal Company, Inc.
Permit No: 3143, Area 19
Date of Inspection: 09/11/2019
Type of Inspection: Federal Complete
Date Permit Expires: 6/30/2018
Enforcement Actions: N18-090-281-001 and C18-090-281-001 remain unabated
Inspector: George Gunn

Administrative: This surface contour mine has been in Temporary Cessation since September 1, 2011. An OSMRE permit renewal application was submitted on June 14, 2013, and was approved on March 16, 2017, for a five year term from the original permit expiration date. The renewed permit expired on June 30, 2018. Another renewal application has been received; however, it has not been approved. Liability insurance will expire on June 01, 2020. Bonding for this site is standard – one bond posted for entire permit.

Enforcement Action: *Notice of violation:* **N18-090-281-001**, total of three violations, was issued to the permittee on 03/26/2018. The initial abatement date for the violations was set at 04/30/2018. Violation 3 of 3 regarding the permit sign was abated and terminated. The other two violations, 1 of 3, concerning backfill stability, and 2 of 3, concerning haul road maintenance, were modified to extend the abatement date to 05/30/2018. Violations 1 of 3, and 2 of 3, were not abated and **FTACO 18-090-281-001, 1 of 2, and 2 of 2**, was issued on 06/01/2018. The site was re-inspected for abatement after 30 days had elapsed on 06/03/2018, and the violations were documented as not abated.

As of today's inspection, **N18-090-281-001, violation 1 of 3, and 2 of 3**, remain unabated. Under violation 1 of 3, there has been no attempt to address backfill stability issues. Under violation 2 of 3, a large boulder was pushed over the haul road berm and into a pond; however, many boulders remain on the haul road and the slide onto the road has not been stabilized.

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Exhibit I-6

INSPECTION REPORT

Permittee: Premium Coal Company, Inc.
Permit No: 3143, Area 19
Date of Inspection: 09/11/2019
Type of Inspection: Federal Complete
Date Permit Expires: 6/30/2018
Enforcement Actions: N18-090-281-001 and C18-090-281-001 remain unabated
Inspector: George Gunn

Administrative: This surface contour mine has been in Temporary Cessation since September 1, 2011. An OSMRE permit renewal application was submitted on June 14, 2013, and was approved on March 16, 2017, for a five year term from the original permit expiration date. The renewed permit expired on June 30, 2018. Another renewal application has been received; however, it has not been approved. Liability insurance will expire on June 01, 2020. Bonding for this site is standard – one bond posted for entire permit.

Enforcement Action: *Notice of violation:* **N18-090-281-001**, total of three violations, was issued to the permittee on 03/26/2018. The initial abatement date for the violations was set at 04/30/2018. Violation 3 of 3 regarding the permit sign was abated and terminated. The other two violations, 1 of 3, concerning backfill stability, and 2 of 3, concerning haul road maintenance, were modified to extend the abatement date to 05/30/2018. Violations 1 of 3, and 2 of 3, were not abated and **FTACO 18-090-281-001, 1 of 2, and 2 of 2**, was issued on 06/01/2018. The site was re-inspected for abatement after 30 days had elapsed on 06/03/2018, and the violations were documented as not abated.

As of today's inspection, **N18-090-281-001, violation 1 of 3, and 2 of 3**, remain unabated. Under violation 1 of 3, there has been no attempt to address backfill stability issues. Under violation 2 of 3, a large boulder was pushed over the haul road berm and into a pond; however, many boulders remain on the haul road and the slide onto the road has not been stabilized.

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Exhibit I-7

INSPECTION REPORT

Permittee: *National Coal, LLC*

Permit No: *3249*

Date Permit Expires: *Expired 6/29/2013*

Date of Inspection: *4/2, 4/8, 4/15-17, 4/22, 4/29, 5/8/2019*

Type of Inspection: *Complete*

Inspector: *Chris Miller*

Administrative: The liability insurance policy for this permit expires 6/1/2019. The site status is "Mining Complete" with approximately 1,990 acres disturbed. This permit is incrementally bonded: Increment #1 (the Splint and Windrock mine areas, the stoker plant (tipple area), and the associated haul roads and sediment basins) and Increment #2 (the Walnut Mountain, Red Ash, and Braden Mountain mine areas, along with the associated sediment basins.)

Hydrologic Balance: 1st quarter DMRs for 2019 have been submitted. A review of the DMRs reveals that ponds have been in compliance during the 1st quarter monitoring period. Annual basin maintenance inspection certifications are due 3/24/2020. The rock lined ditch that passes through cuts C55, A47, and A48 needs to be connected to the unnamed tributary to Lick Fork. This must be done before the site achieves full bond release.

Hach kit analysis was performed on the following ponds:

| Basin | pH | Fe (mg/l) | Comments |
|--------------|-----------|----------------------|--|
| BB1 | | | Removed |
| BF1 | 7.5 | N/A | Not Discharging |
| BF-2 | 7.5 | N/A | Not Discharging |
| CC1 | | | Removed |
| DST | 7.5 | <1.0 | Discharging Clear |
| DW1 | 7.5 | <1.0 | Discharging Clear |
| GB1 | 7.5 | <1.0 | Discharging Clear |
| GB2 | 8.0 | N/A | Not Discharging |
| IH1 | 8.0 | N/A | Not Discharging **Mn issue – see below |
| JH1 | | | Removed |
| JH2 | 7.5 | N/A | Not Discharging |
| JH3 | 7.5 | N/A | Not Discharging |
| JH5 | 7.0 | N/A | Not Discharging |

| | | | |
|-----|-----|------|-------------------|
| JH4 | 7.5 | <1.0 | Discharging Clear |
| JH6 | N/A | N/A | Dry |
| JH7 | 8.0 | N/A | Not Discharging |
| L11 | 7.5 | N/A | Not Discharging |
| L21 | 7.0 | <1.0 | Discharging Clear |
| L22 | 7.5 | N/A | Not Discharging |
| L23 | 7.5 | <1.0 | Discharging Clear |
| L5A | 7.5 | N/A | Not Discharging |
| L5B | 8.0 | N/A | Not Discharging |
| LE3 | 7.5 | N/A | Not Discharging |
| LE5 | | | Removed |
| LE6 | | | Removed |
| SP1 | 7.5 | N/A | Not Discharging |

Backfilling and Grading: This mine site is incrementally bonded with two increments.

- Increment 1: This increment consists of the contour mine areas, the stoker plant (tipple area), and the associated haul roads and sediment basins. This increment consists of 111 bonded acres.
 - Mining ceased on the contour elevation in October 2013. Mining cuts in the watershed at cuts B31 to B36 were reclaimed using all available spoil material with most of the high wall eliminated. Mining cuts in the watershed at cuts C138 to C143 were also reclaimed using all available spoil material with most of the highwall eliminated.
 - There is a slide on the backfill near cut A69 (See enforcement actions below).
- Increment 2: This increment consists of the underground mine areas, along with the associated sediment basins. This increment consists of 111 bonded acres.
 - Mining ceased on this increment in the middle of 2009. Shortly after the knobs were mined, the permittee submitted "As-Built" cross sections.

Re-vegetation:

- Increment 1: This increment was seeded summer 2014 with the last trees being planted in April 2015. The stoker plant (tipple area) remains to be reclaimed and re-vegetated. Areas which were spot seeded and limed last year may need to be seeded again this spring. The perennial cover on these areas is sparse. An email regarding this issue was sent to Mark Wooten on 1/11/2018 and 3/29/2018.
- Increment 2: This increment was seeded fall 2009 and had trees planted March 2010.

Excess Spoil Placement: A permanent spoil storage area is located south of basin BF-1. A pre-existing highwall was eliminated with material removed from the first two mining cuts on the contour elevation. The fill was completed in September 2013 and is adequately vegetated.

Roads:

- Haul road #1, the haul road from the county road up to the contour, is a permanent road.
 - Multiple slides are affecting this road. See enforcement actions below. Equipment has been brought on-site to address this violation.
- Haul road #2 connects at the contour elevation and continues west to the end of the permit.
- Haul road #4 runs from the gap at the head of the river watershed to the end of the mining in the creek watershed and is well maintained.
- Several internal roads were constructed during mining and those roads have been scarified and vegetated.



Above left: Work being done on a slide on Haul Road #1 (photo 4/29/2019). At right: A wiggletail dump truck that was recently brought on-site (photo 5/8/2019).

Preventative maintenance recommendation(s):

- Reclaim the Stoker Plant (tipple area).
- Re-seed the areas which were limed and seeded last year, and seed the areas disturbed while performing maintenance on the slopes this year.
- Connect the rock lined ditch that passes through cuts C55, A47, and A48 to the unnamed tributary to the river. This must be done before the site achieves full bond release.
- Ensure ditches are open and freely draining within the creek watershed and throughout the permit.

Enforcement Action(s):Outstanding enforcement action(s):

- FTACO C19-090-535-002 is issued. The 30th day was 5/8/2019. The company has begun to abate the underlying violation, but work is on-going.
 - Violation 1 of 1 was issued for: Failure to abate N19-090-535-001
 - The corrective action is: Perform the corrective action required in the underlying violation. Submit updated ownership and control information.
 - The abatement date is: Immediately.
- FTACO C19-090-535-001 has exceeded the 30th day.
 - Violation 1 of 2 was issued for: Failure to abate N18-090-535-008 violation 1 of 2.

- The corrective action is: Perform the corrective action required in the underlying violation. Submit updated ownership and control information.
 - The abatement date is: Immediately.
 - Violation 2 of 2 was issued for: Failure to abate N18-090-535-008 violation 2 of 2.
 - The corrective action is: Perform the corrective action required in the underlying violation. Submit updated ownership and control information.
 - The abatement date is: Immediately.
- FTACO C18-090-535-003 has exceeded the 30th day.
 - Violation 1 of 1 was issued for: Failure to abate N18-090-535-006 violation 1 of 1.
 - The corrective action is: Perform the corrective action required in the underlying violation (N18-090-535-006 1 of 1). Submit updated ownership and control information.
 - The abatement date is: Immediately.
- NOV N19-090-535-001
 - Violation 1 of 1 was issued for failure to maintain the haul road.
 - The corrective action is: Stabilize the areas which are showing signs of movement and return the road to its design criteria. Seed and mulch disturbed areas including road berms.
 - The new abatement date was: April 8, 2019 at 8:00 am.
- NOV N18-090-535-008
 - Violation 1 of 2 was issued for: Failure to protect and stabilize surface areas to effectively control erosion.
 - The corrective action is: Re-grade the slide near cut A69, seed and mulch all disturbance.
 - The abatement date was: January 16, 2019 at 8:00 am.
 - Violation 2 of 2 is issued for: Failure to properly dispose of non-coal waste.
 - The corrective action is: Remove the burnt-out excavator sitting on the side of haul road #1.
 - The abatement date was: January 16, 2019 at 8:00 am.
- NOV N18-090-535-006
 - Violation 1 of 1 is outstanding: Failure to protect and stabilize surface areas to effectively control erosion.
 - The corrective action is: Re-grade the eroded areas in cut A95 and ensure adequate topsoil or topsoil substitute is on the final graded surface. Clean the sediment from ditch LFT-3-2A-D1. Seed and mulch the disturbed area after re-grading.
 - The abatement date was: Immediately.

Exhibit I-8

INSPECTION REPORT

Permittee: National Coal, LLC
Permit No: TN-023
Date Permit Expires: Expired
Date of Inspection: April 10, 22 and 23, 2019
Type of Inspection: Complete
Inspector: Tim Rudder

Discussion: The Tennessee Wildlife and Resources agency (TWRA) is in the process of reworking the haul road going to this mine site. Representatives of National Coal, LLC have requested an inspection of this work to see if any of the violations contained in NOV 18-090-171-003 and FTACO 18-090-171-003 can be terminated. I met with Travis Duncan, supervisor for National Coal in Tennessee, on 4-22-2019 and looked over the work that had been accomplished. The first two culverts on the haul road remained blocked. Travis informed me that they should have these open within a day or two. The road has been graded to the top of the mountain at Jenny Gap. No work has been done on the road from Jenny Gap down to the mine site. Ditch lines have been reestablished, gravel has been spread and water bars reinstalled. The work looks good. I told Travis that if they would agree to stabilize the slip remaining on the road near culvert C-10, repair the slide below culvert C-4 including reopening the ditch between C-4 and C-4.1, and opening the first two culverts on the haul road. That I would speak with my supervisor about terminating the violations. I spoke with Supervisor Mark Snyder that afternoon about the meeting with Travis. Mark agreed that we could terminate the violations if National completed the work that I had mentioned. I phoned Travis on 4-23-2019 and told him that the violations would be terminated after the work was performed. Travis said that he was waiting on the equipment and would let me know when they started on the work.